



Property Committee

REGULAR MEETING AGENDA

August 25, 2006
8:30 a.m.

South Florida Regional Transportation Authority

Board Room

800 NW 33rd Street, Suite 100
Pompano Beach, Florida 33064

www.sfrta.fl.gov

FOR FURTHER INFORMATION CALL WILLIAM CROSS AT (954) 788-7916

Members

Commissioner James A. Scott, Chair
Bill T. Smith, Vice Chair
George Morgan, Jr.

Directions to SFRTA: I-95 to Copans Road. Go west on Copans to North Andrews Avenue Ext. and turn right. Go straight to Center Port Circle, which is NW 33rd Street, and turn right. SFRTA's offices are in the building to the right. The SFRTA offices are also accessible by taking the train to the Pompano Beach Station. The SFRTA building is South of the station. Parking is available across the street from SFRTA's offices, at the Pompano Beach Station.

PROPERTY COMMITTEE MEETING
OF AUGUST 25, 2006

The meeting will convene at 8:30 a.m., and will be held in the Board Room of the South Florida Regional Transportation Authority, Administrative Offices, 800 NW 33rd Street, Suite 100, Pompano Beach, FL 33064.

CALL TO ORDER

AGENDA APPROVAL – Additions, Deletions, Revisions

MATTERS BY THE PUBLIC – Persons wishing to address the Committee are requested to complete an “Appearance Card” and will be limited to three (3) minutes. Please see the Minutes Clerk prior to the meeting.

CONSENT AGENDA

Those matters included under the Consent Agenda are self-explanatory and are not expected to require review or discussion. Items will be enacted by one motion in the form listed below. If discussion is desired by any Committee Member, however, that item may be removed from the Consent Agenda and considered separately.

C1 – [MOTION TO APPROVE:](#) Minutes of Property Committee Meeting of June 21, 2006

REGULAR AGENDA

Those matters included under the Regular Agenda differ from the Consent Agenda in that items will be voted on individually. In addition, presentations will be made on each motion, if so desired.
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R1 - [MOTION TO RECOMMEND:](#) Schedule I to Development & Lease Agreement between the South Florida Regional Transportation Authority and Boca Tri-Rail Center, LLC for joint use and development of the Phase II site (approximately 2.5 acres) adjacent to the Boca Raton Tri-Rail Station, and authorize the Executive Director to sign the final Development & Lease Agreement in substantially the format presented.

INFORMATION / PRESENTATION ITEMS

Action not required, provided for information purposes only.
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OTHER BUSINESS

SFRTA EXECUTIVE DIRECTOR REPORTS/COMMENTS

PROPERTY COMMITTEE MEMBER COMMENTS

ADJOURNMENT

In accordance with the Americans with Disabilities Act and Section 286.26, [Florida Statutes](#), persons with disabilities needing special accommodation to participate in this proceeding, must at least 48 hours prior to the meeting, provide a written request directed to the Planning and Capital Development Department at 800 NW 33rd Street, Suite 100,

Pompano Beach, Florida, or telephone (954) 942-RAIL (7245) for assistance; if hearing impaired, telephone (800) 273-7545 (TTY) for assistance.

Any person who decides to appeal any decision made by the South Florida Regional Transportation Authority Property Committee with respect to any matter considered at this meeting or hearing, will need a record of the proceedings, and that, for such purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Persons wishing to address the Committee are requested to complete an "Appearance Card" and will be limited to three (3) minutes. Please see the Minutes Clerk prior to the meeting.

MINUTES
PROPERTY COMMITTEE MEETING
OF JUNE 21, 2006

The Property Committee meeting was held at 9:30 a.m. on Wednesday, June 21, 2006 in the Board Room of the South Florida Regional Transportation Authority (SFRTA), Administrative Offices, located at 800 NW 33rd Street, Suite 100, Pompano Beach, FL 33064.

COMMITTEE MEMBERS PRESENT:

Commissioner James Scott, SFRTA Board Member and Property Committee Chair
Mr. Bill Smith, SFRTA Board Member and Property Committee Vice-Chair
Mr. George Morgan, Jr., SFRTA Board Member

ALSO PRESENT:

Mr. Joseph Giulietti, SFRTA Executive Director
Mr. Jack Stephens, SFRTA Deputy Executive Director
Ms. Bonnie Arnold, SFRTA
Mr. Chris Bross, SFRTA
Ms. Loraine Cargill, SFRTA
Mr. William Cross, SFRTA
Mr. Ford Gibson, San Remo Developments, Inc.
Mr. Reeder Glass, Holland & Knight (Via Telephone Conference)
Mr. Dan Glickman
Ms. Diane Hernandez Del Calvo, SFRTA
Ms. Renee Mathews, SFRTA
Mr. Dan Mazza, SFRTA
Mr. Jeff Olson, SFRTA
Ms. Flavia Silva, SFRTA

CALL TO ORDER

The Chair called the meeting to order at 9:40 a.m.

AGENDA APPROVAL – Additions, Deletions, Revisions

Mr. Smith moved for approval of the Agenda. The motion was seconded by Mr. Morgan.

The Chair called for further discussion and/or opposition to the motion. Upon hearing none, the Chair declared the Agenda approved unanimously.

MATTERS BY THE PUBLIC – Persons wishing to address the Committee are requested to complete an “Appearance Card” and will be limited to three (3) minutes. Please see the Minutes Clerk prior to the meeting.

There were no Matters by the Public at this meeting.

CONSENT AGENDA
Those matters included under the Consent Agenda are self-explanatory and are not expected to require review or discussion. Items will be enacted by one motion in the form listed below. If discussion is desired by any Committee Member, however, that item may be removed from the Consent Agenda and considered separately.

C1 – MOTION TO APPROVE: Minutes of Property Committee Meeting of May 25, 2006

Mr. Morgan moved for approval of the Consent Agenda. The motion was seconded by Mr. Smith.

The Chair called for further discussion and/or opposition to the motion. Upon hearing none, the Chair declared the Consent Agenda approved unanimously.

REGULAR AGENDA
Those matters included under the Regular Agenda differ from the Consent Agenda in that items will be voted on individually. In addition, presentations will be made on each motion, if so desired.

R1 – MOTION TO RECOMMEND: Schedule I to Development & Lease Agreement between the South Florida Regional Transportation Authority and Boca Tri-Rail Center, LLC for joint use and development of the Phase II site (approximately 2.5 acres) adjacent to the Boca Raton Tri-Rail Station, and authorize the Executive Director to sign the final Development & Lease Agreement in substantially the format presented.

Mr. Glass, Holland & Knight, updated the Property Committee on the status of negotiations of the Boca Raton Phase II Joint Development & Lease Agreement. Mr. Glass stated that since the May 25, 2006 Property Committee Meeting, SFRTA has been negotiating with San Remo Developments, Inc. (San Remo) the Development & Lease Agreement and continued by relating information on the negotiations, in particular, the terms of Schedule I of the Lease Agreement. Mr. Glass stated that both parties had not reached an agreement regarding the base rent adjustment.

Mr. Gibson, San Remo, addressed the Property Committee regarding issues related to the Lease Agreement concerning San Remo's understanding of the base rent adjustment. Mr. Gibson continued stating that San Remo is prepared to move forward with the Development & Lease Agreement based on an adjustment at year five (5), a true up at year ten (10) and a true up at year twenty (20) and decennial increases thereafter, but San Remo does not agree with base rent escalations in the mid ten year period.

Commissioner Scott stated that the Development of Regional Impact (DRI) for the project will expire in November 30th, 2006. Mr. Stephens explained to the Property Committee members that the building permit must be issued prior to November 30th, 2006.

Mr. Morgan moved to recommend to the SFRTA Board of Directors, the approval of Schedule I to the Development & Lease Agreement between the SFRTA and Boca Tri-Rail Center, LLC for joint use and development of the Phase II site subject to final negotiations of the

adjustment of the base rent at mid-terms using an appraised value of the development. The motion was seconded by Mr. Smith.

The Chair called for further discussion and/or opposition to the motion. Upon hearing none, the Chair declared the motion approved. The Chair moved the discussions to the next item on the Agenda.

INFORMATION / PRESENTATION ITEMS
Action not required, provided for information purposes only.

There were no Information/Presentation items discussed at this meeting.

OTHER BUSINESS

There was no Other Business discussed at this meeting.

SFRTA EXECUTIVE DIRECTOR REPORTS/COMMENTS

There were no Reports/Comments from the SFRTA Executive Director.

PROPERTY COMMITTEE MEMBER COMMENTS

There were no Comments from the Property Committee Members.

ADJOURNMENT

The meeting was adjourned at 10:47 a.m.

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
PROPERTY COMMITTEE
MEETING: AUGUST 25, 2006

AGENDA ITEM REPORT

☐ Consent ☒ Regular ☐ Public Hearing

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

REQUESTED ACTION:

MOTION TO RECOMMEND: Schedule I to Development & Lease Agreement between the South Florida Regional Transportation Authority and Boca Tri-Rail Center, LLC for joint use and development of the Phase II site (approximately 2.5 acres) adjacent to the Boca Raton Tri-Rail Station, and authorize the Executive Director to sign the final Development & Lease Agreement in substantially the format presented.

SUMMARY EXPLANATION AND BACKGROUND:

On August 15, 2003, the South Florida Regional Transportation Authority (SFRTA) purchased approximately 6.6 acres in the City of Boca Raton for the development of the Boca Raton Intermodal Facility (Intermodal Facility). The property is part of the T-Rex Development and is located west of I-95, immediately south of Yamato Road and adjacent to the South Florida Rail Corridor.

The Intermodal Facility was planned to be developed in two phases. Phase I includes the construction of the Boca Raton Tri-Rail Station and involves platforms, surface parking and other passenger amenities to support the station. This phase is currently completed. The Phase II portion includes a joint development provision of 50,000 square feet of office space and up to 20,000 square feet of retail space with additional surface parking.

At the August 5, 2005 Special Meeting of the Property Committee, the Committee approved San Remo Developments (a.k.a Boca Tri-Rail Center, LLC) as the preferred developer, over the Butters & Siegel Development Group to joint develop the Boca Raton Intermodal Facility Phase II site.

(Continued on Page 2)

Department: Planning and Capital Development

Department Director: Jack Stephens

Project Manager: William Cross

FISCAL IMPACT: Funding from this project will increase SFRTA's Operating Budget

EXHIBITS ATTACHED:

Exhibit 1:	Schedule I to Development & Lease Agreement (To be distributed under separate cover)
Exhibit 2:	Draft Development & Lease Agreement (To be distributed under separate cover)

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

SUMMARY EXPLANATION AND BACKGROUND (Continued):

The Proposal was based on the following major terms:

- Construction of 50,000 square feet of office and up to 20,000 square feet of retail;
- Payment of \$75,000 per annum during construction;
- Base rent of \$200,000 per annum, increasing 10% every five years;
- Participation rent of 1% of gross revenue, plus lessor to share in net proceeds of 10% from sale or refinance of the property or from a sale of the ownership interest in lessee.

On January 27, 2006, SFRTA received a letter from Boca Tri-Rail Center presenting a revised proposal to the terms of the original lease resulting in a reduced base rent of approximately \$60,000 per year. The revised proposal cited the increase in construction costs over the last few months associated with the recent hurricane season as the main reason for the adjustment. Additionally, Boca Tri-Rail Center confirmed they had entered into an Agreement with Ned Siegel and Malcolm Butters to co-develop the Phase II Project enabling them to take advantage of synergies with the adjacent development and leverage existing relationships with governmental groups.

On February 17, 2006, the Property Committee moved to: 1) Suspend negotiations up to 90 days with Boca Tri-Rail Center; and 2) Direct staff to update the appraisal of the Boca Raton Phase II site and await further direction from the Property Committee.

On March 23, 2006, SFRTA received a letter from Boca Tri-Rail Center attorneys stating that Boca Tri-Rail Center has agreed to construct 50,000 square feet of office and 10,000 square feet of retail in accordance with the August 4, 2005 proposal previously approved by the SFRTA Property Committee.

On March 24, 2006, the Property Committee moved to direct staff to engage in negotiations with Boca Tri-Rail Center and bring back a fair proposal to the Property Committee at the April 28, 2006 meeting.

On April 28, 2006, staff presented the Property Committee with information regarding a new appraisal amount for the Phase II site. This amount reflected an increase in value of the property of approximately \$2,150,000. In light of this new information, the Property Committee directed staff to try to re-negotiate the economic terms of the lease with Boca Tri-Rail Center and bring back a more equitable proposal to the Property Committee at the next meeting.

After several weeks of negotiations, both parties were unable to agree on a final proposal. At the May 26, 2006 Property Committee Meeting, Boca Tri-Rail Center requested an additional two weeks to finalize negotiations with SFRTA and agree on a fair economic structure that would provide a “win-win” situation for both parties.

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BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

SUMMARY EXPLANATION AND BACKGROUND: (Continued)

On June 5, 2006, staff presented Boca Tri-Rail Center with two proposals involving: 1) stair stepping of the base rent over a five year period with a 10% adjustment every 5 years; or 2) stair stepping of base rent over a 10-year period, and allowing for an adjustment in base rent each subsequent 10-year period using an appraised value of the development. Boca Tri-Rail Center initially accepted the second proposal. Once the details of the proposals were outlined in Schedule I of the Development & Lease Agreement, Boca Tri-Rail Center took exception with Section 1(e) which provides for an additional adjustment of 10% beginning in year five and every subsequent ten year period thereafter throughout the term of the lease.

On June 21, 2006, the Property Committee recommended the approval of Schedule I to the Development & Lease Agreement between the SFRTA and Boca Tri-Rail Center, for joint use and development of the Phase II site subject to final negotiations of the adjustment of the base rent at mid-terms using an appraised value of the development.

On June 23, 2006, the SFRTA Board recommended staff to continue negotiations with Boca Tri-Rail Center, to finalize the Development & Lease Agreement and bring it back to the next Property Committee meeting.

After several weeks of negotiations, staff believes it has reached conceptual agreement with Boca Tri-Rail Center and the attorneys are in the process of finalizing the Development & Lease Agreement and Schedule I to the Agreement.

BOCA RATON PHASE II JOINT DEVELOPMENT PROJECT
DEVELOPMENT & LEASE AGREEMENT

Committee Action:

Approved: _____Yes _____No

Vote: _____ Unanimous

Amended Motion:

Commissioner James A. Scott	_____	Yes	_____	No
Bill T. Smith	_____	Yes	_____	No
George Morgan	_____	Yes	_____	No